

## Staff Report for 2018 State Board of Equalization

September 24, 2018

**File No.:** 2018-CAVALIER-RESIDENTIAL

**Prepared by:** Property Tax Division – LL, JB

**Appellant:**

**Issue:** Residential property requires a 5% decrease to be at 100%.

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**Summary:** The ratio adjustment worksheet for 2018 calculated an indicated True & Full/Market Value ratio of 105%.

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**Analysis:** Cavalier County contracted with Vanguard Appraisals, Inc. for an entire assessment of all classes of property within the county. Discussions with the tax director and chairman of the county commission identify that the assessment was performed to ensure that all taxable property was captured on the county's tax rolls. An entire re-assessment had never been performed for Cavalier County.

The project was completed using the sales data from the 2015 and 2016 sales ratio study. The 2016 sales ratio study contained 32 usable sales that were less than 90% of market; ranging from .9% to 89.4%.

Sales activity indicates that residential assessments for Cavalier County require an adjustment. N.D.C.C. 57-13-04.1 provides that the State Board of Equalization may not approve assessments in any taxing district in which the property as assessed and equalized exceeds true and full value for those property classifications.

Recognizing that the assessment was performed using the 2016 sales data, the current market indicates a need for an adjustment.

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**Recommendation:** Direct Cavalier County to decrease all residential assessments by 5%.